



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
-----------------	-------------	----------------------	---------------------	------------------

09/931,152

08/16/2001

Augustine F. Udo

3211/1H348

3162

7590
DARBY & DARBY P.C.
805 Third Avenue
New York, NY 10022

12/28/2006

EXAMINER

WEIS, SAMUEL

ART UNIT

PAPER NUMBER

3691

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
--	-----------	---------------

3 MONTHS

12/28/2006

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary	Application No. 09/931,152	Applicant(s) UDO ET AL.	
	Examiner Samuel S. Weis	Art Unit 3691	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 16 August 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-34 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-34 is/are rejected.
- 7) ☒ Claim(s) 16-34 is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 16 August 2001 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This is in response to the application filed August 16, 2001. Claims 1-34 have been examined.

Claim Objections

2. Claims 15-34 are objected to.
3. Claim 15 is objected to because of the following informalities: the steps (a) through (e) were mistakenly labeled (e) through (i). Appropriate correction is required.
4. Claim 30 is objected to because of the following informalities: the steps (a) through (d) were mistakenly labeled (j) through (m). Appropriate correction is required.
5. Claims 16-29 and 31-34 are objected to because they are dependent upon an objected base claim.

Claim Rejections - 35 USC § 112

6. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

7. Claims 6, 8, 21, and 23 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The limitation includes the acronym CUSIP. The claims do not provide any explanation of the meaning of the acronym CUSIP. For purposes of applying prior art, the Examiner will interpret the acronym CUSIP to represent Committee on Uniform Securities Identification Procedures.

Claim Rejections - 35 USC § 102

8. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

9. Claims 1-3, 5, 7, 9-18, 20, 22, and 24-34 are rejected under 35 U.S.C. 102(b) as being anticipated by Aziz et al. (hereinafter, Aziz), U.S. Pat. No. 6,018,721.

As to claim 1, Aziz discloses a method for collateral monitoring and controlling for use in a variety of businesses comprising

- a) depositing a collateral in a clearinghouse firm (i.e. validation of the securities' acceptability by its depository) (col. 2, lines 24-26);
- b) electronically advising a custodian firm of the deposit (i.e. transmits data and requests to SWIFT and custody systems) (col. 4, lines 30-31);
- c) monitoring in real-time for the continued presence of the collateral in the clearinghouse firm (i.e. performance of real-time collateral position) (col. 3, lines 1-2);
- d) authorizing a depository firm to issue a set of derivatives if the continued presence of the collateral is confirmed (i.e. process applies minimum calls or thresholds for delivers) (col. 7, lines 36-37).

As to claim 2, Aziz discloses the method as claimed in claim 1, wherein the monitoring step comprises transferring electronic confirmations between the clearinghouse firm and the custodian firm, the electronic confirmations confirming the

Art Unit: 3691

continued presence of the collateral in the clearinghouse firm (i.e. COSMOS and SECORE are electrically coupled to transactor and transfer information through file transfer protocol) (col. 11, lines 59-61).

As to claim 3, Aziz discloses the method as claimed in claim 2, wherein the authorizing step is performed if the electronic confirmations indication the continued presence of the collateral in the clearinghouse firm (i.e. the system also performs a number of shortfall processing actions to determine whether the confirmed collateral held in an account satisfies the collateral requirements, as described by the account liabilities) (col. 9, lines 38-41).

As to claim 5, Aziz discloses the method as claimed in claim 1, including the additional steps of assigning a security identifier to each derivative in the set of derivative and issuing the set of derivatives for receipt into one or more customer accounts (i.e. the following information is obtained from the relational databases that are accessed by the process: 1. Security Identifier; Block 306 causes the process to send back the collateral movement to the custody system for settlement) (col. 7, lines 60-65; col. 6, lines 19-21).

As to claim 7, Aziz discloses the method as claimed in claim 5, including the additional step of continuously polling the clearinghouse firm to confirm the continued presence of the collateral after issuance of the set of derivatives (i.e. the system retrieves the haircut tables for the collateral group being revalued and then takes the following steps) (col. 8, lines 39-41).

As to claim 9, Aziz discloses the method as claimed in claim 1, wherein the collateral is a payable instrument selected from the group of a bond and one or more accounts payable (i.e. tracks collateral against liabilities and can be used to determine whether or not to extend margin against securities or other products such as derivatives, tri-party agencies and insurance letters of credit) (col. 2, lines 7-11).

As to claim 10, Aziz discloses the method as claimed in claim 9, wherein the collateral is the bond and wherein the set of derivatives comprises a series of strips (i.e. tracks collateral against liabilities and can be used to determine whether or not to extend margin against securities or other products such as derivatives, tri-party agencies and insurance letters of credit) (col. 2, lines 7-11)

As to claim 11, Aziz discloses the method as claimed in claim 1, wherein the collateral is a payable instrument having a first value and wherein the each derivative in the set of derivatives comprises a denomination less than the first value (i.e. the process proceeds to block 416 and calculates the local market value for each position and proposed position) (col. 7, lines 18-20).

As to claim 12, Aziz discloses the method as claimed in claim 1, wherein the custodian firm and the depository firm are the same firm (i.e. system handles both security purchases and security sales by the client) (abstract).

As to claim 13, Aziz discloses the method as claimed in claim 1, wherein the clearinghouse firm electronically advises the custodian firm of the deposit (i.e. transmits data and requests to SWIFT and custody systems) (col. 4, lines 30-31).

As to claim 14, Aziz discloses the method as claimed in claim 1, wherein the depository firm prepares the set of derivatives to be issued (i.e. system handles both security purchases and security sales by the client) (abstract).

As to claim 15, Aziz discloses a method for collateral monitoring and controlling for use in a variety of businesses comprising

- e) depositing a collateral having a first value in a clearinghouse firm (i.e. validation of the securities' acceptability by its depository) (col. 2, lines 24-26);
- f) electronically advising a custodian firm of the deposit (i.e. transmits data and requests to SWIFT and custody systems) (col. 4, lines 30-31);
- g) preparing a set of derivatives to be issued, the set of derivatives having a second value that matches the first value (i.e. after retrieving liability information, the process matches collateral to liabilities, using the currency of the liabilities and the currency of the collateral position) (col. 8, lines 59-61);
- h) monitoring in real time for the continued presence of the collateral in the clearinghouse firm (i.e. performance of real-time collateral position) (col. 3, lines 1-2);
- i) authorizing a depository firm to issue the set of derivatives if the continued presence of the collateral is confirmed (i.e. process applies minimum calls or thresholds for delivers) (col. 7, lines 36-37).

As to claim 16, Aziz discloses the method as claimed in claim 15, wherein the monitoring step comprises transferring electronic confirmations between the clearinghouse firm and the custodian firm, the electronic confirmations confirming the continued presence of the collateral in the clearinghouse firm (i.e. COSMOS and

Art Unit: 3691

SECORE are electrically coupled to transactor and transfer information through file transfer protocol) (col. 11, lines 59-61).

As to claim 17, Aziz discloses the method as claimed in claim 16, wherein the authorizing step is performed if the electronic confirmations indicate the continued presence of the collateral in the clearinghouse firm (i.e. the system also performs a number of shortfall processing actions to determine whether the confirmed collateral held in an account satisfies the collateral requirements, as described by the account liabilities) (col. 9, lines 38-41).

As to claim 18, Aziz discloses the method as claimed in claim 16, including the additional step of providing the electronic confirmations to an insurance company for monitoring the first value of the collateral (i.e. banks, financial institutions, securities firms, insurance companies and other financial institutions must be concerned with maintaining appropriate collateral for securing loans and the like) (col. 1, lines 63-65).

As to claim 20, Aziz discloses the method as claimed in claim 15, including the additional steps of assigning a security identifier to each derivative in the set of derivative and issuing the set of derivatives for receipt into one or more customer accounts (i.e. the following information is obtained from the relational databases that are accessed by the process: 1. Security Identifier; Block 306 causes the process to send back the collateral movement to the custody system for settlement) (col. 7, lines 60-65; col. 6, lines 19-21).

As to claim 22, Aziz discloses the method as claimed in claim 20, including the additional step of continuously polling the clearinghouse firm to confirm the continued

Art Unit: 3691

presence of the collateral after issuance of the set of derivatives (i.e. the system retrieves the haircut tables for the collateral group being revalued and then takes the following steps) (col. 8, lines 39-41).

As to claim 24, Aziz discloses the method as claimed in claim 15, wherein the collateral is a payable instrument selected from the group of a bond and one or more accounts payable (i.e. tracks collateral against liabilities and can be used to determine whether or not to extend margin against securities or other products such as derivatives, tri-party agencies and insurance letters of credit) (col. 2, lines 7-11).

As to claim 25, Aziz discloses the method as claimed in claim 24, wherein the collateral is the bond and wherein the set of derivatives comprises a series of strips (i.e. tracks collateral against liabilities and can be used to determine whether or not to extend margin against securities or other products such as derivatives, tri-party agencies and insurance letters of credit) (col. 2, lines 7-11)

As to claim 26, Aziz discloses the method as claimed in claim 15, wherein the collateral is a payable instrument having a first value and wherein the each derivative in the set of derivatives comprises a denomination less than the first value (i.e. the process proceeds to block 416 and calculates the local market value for each position and proposed position) (col. 7, lines 18-20).

As to claim 27, Aziz discloses the method as claimed in claim 15, wherein the custodian firm and the depository firm are the same firm (i.e. system handles both security purchases and security sales by the client) (abstract).

As to claim 28, Aziz discloses the method as claimed in claim 15, wherein the clearinghouse firm electronically advises the custodian firm of the deposit (i.e. transmits data and requests to SWIFT and custody systems) (col. 4, lines 30-31).

As to claim 29, Aziz discloses the method as claimed in claim 15, wherein the depository firm prepares the set of derivatives to be issued (i.e. system handles both security purchases and security sales by the client) (abstract).

As to claim 30, Aziz discloses a method for collateral monitoring and controlling for use in a variety of businesses comprising

- a) establishing a communication link between a custodian firm of the issuer and a clearinghouse firm, the clearinghouse firm having a custodial account for the issuer (i.e. reconciliation system receives data feeds such as SECORE which are forwarded to BST batch server and COSMOS feeds forwarded to BCT batch server) (col. 5, lines 11-13);
- b) polling the clearinghouse firm through the communication link as to whether the issuer possesses the payable instrument in the custodial account (i.e. the process of reconciliation is generally one wherein records are sent to the collateral server and the collateral server reads the SECORE position information and compares with its own security position) (col. 5, lines 16-20);
- c) transferring an electronic confirmation from the clearinghouse firm to the custodian firm across the communication link, the electronic confirmation confirming the presence of the payable instrument in the custodial account of the issuer (i.e. COSMOS and

SECORE are electrically coupled to transactor and transfer information through file transfer protocol) (col. 11, lines 59-61); and,

d) repeating steps (a) through (c) throughout the trading day (i.e. Figure 3).

As to claim 31, Aziz discloses the method as claimed in claim 30, including the additional step of providing the electronic confirmation to an insurance company (i.e. banks, financial institutions, securities firms, insurance companies and other financial institutions must be concerned with maintaining appropriate collateral for securing loans and the like) (col. 1, lines 63-65).

As to claim 32, Aziz discloses the method as claimed in claim 30, wherein the payable instrument is selected from the group of a bond and one or more accounts payable (i.e. tracks collateral against liabilities and can be used to determine whether or not to extend margin against securities or other products such as derivatives, tri-party agencies and insurance letters of credit) (col. 2, lines 7-11).

As to claim 33, Aziz discloses the method as claimed in claim 30, wherein a set of derivatives is derived from the payable instrument and is issued to customers (i.e. tracks collateral against liabilities and can be used to determine whether or not to extend margin against securities or other products such as derivatives, tri-party agencies and insurance letters of credit) (col. 2, lines 7-11).

As to claim 34, Aziz discloses the method as claimed in claim 30, wherein the payable instrument is a bond and wherein the set of derivatives comprises a series of strips ((i.e. tracks collateral against liabilities and can be used to determine whether or

Art Unit: 3691

not to extend margin against securities or other products such as derivatives, tri-party agencies and insurance letters of credit) (col. 2, lines 7-11).

Claim Rejections - 35 USC § 103

10. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

11. Claims 4 and 19 are rejected under 35 U.S.C. 103(a) as being unpatentable over Aziz and as applied to claims 1 and 15 above, and in view of May, U.S. Pat. No. 6,317,727.

As to claims 4 and 19, Aziz does not explicitly disclose the method as claimed in claims 1 and 15, including the additional step of charging a commission for each deposited collateral that is being monitored.

However, May teaches a credit monitoring system in an electronic trading system that calculates the appropriate commission based upon the order (col. 54, lines 15-19). Therefore, it would have been obvious to one of ordinary skill in the art at the time of the Applicants' invention to include the aforementioned limitation as disclosed by May within Aziz for the motivation of charging a commission for each deposited collateral that is being monitored.

12. Claims 6, 8, 21, and 23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Aziz and as applied to claims 5, 20, and 22 above, and in view of the CUSIP Service Bureau website (hereinafter CUSIP.com), www.cusip.com.

As to claims 6 and 8, Aziz does not explicitly disclose the method as claimed in claim 5, wherein the security identifier is a CUSIP number.

However, CUSIP.com teaches that a derivative can be assigned a CUSIP number to uniquely identify issuers of securities and other financial instruments. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the Applicants' invention to include the aforementioned limitation as disclosed by CUSIP.com within Aziz for the motivation of assigning a CUSIP number as a security identifier.

As to claims 21 and 23, Aziz does not explicitly disclose the method as claimed in claim 20, wherein the security identifier is a CUSIP number.

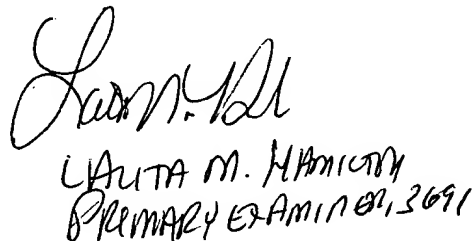
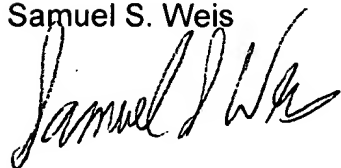
However, CUSIP.com teaches that a derivative can be assigned a CUSIP number to uniquely identify issuers of securities and other financial instruments. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the Applicants' invention to include the aforementioned limitation as disclosed by CUSIP.com within Aziz for the motivation of assigning a CUSIP number as a security identifier.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Samuel S. Weis whose telephone number is (571) 272-2025. The examiner can normally be reached on 8:30 to 5, Monday - Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on (571) 272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Samuel S. Weis



LAURA M. HAMMON
PRIMARY EXAMINER, 3691